PREFACE

Indian economy is still basically based on agriculture. This important sector of the economy is still contributing 29 per cent of the GDP. Agriculture and allied activities are providing employment to 57 per cent of India's total employment. India is producing food grains including rice, wheat, coarse cereals and pulses and commercial crops of groundnut, rapeseed / mustard, soyabean and other oilseeds, cotton, jute and mesta, sugarcane etc. plantation crops of tea, coffee, natural rubber have also occupied a place of prominence in the world market. India is the largest producer and consumer of tea in the world accounting for about 28 per cent of world production and 14 percent of the world trade. Similarly over 80 percent of coffee produced in the country is exported. So far as the cultivation of rubber cultivation is concerned, about 97 percent of the country's demand for natural rubber is met from domestic production. India, with its wide variability of climate and soil, produces a large range of horticultural crops such as fruits, vegetables, potato, tropical tuber crops, ornamental crops, medicinal and aromatic plants, spices and plantation crops like coconut, cashewnut, cocoa etc. The Government of India has identified horticultural crops as a means of diversification for making agriculture more profitable through efficient land use, optimum utilization of natural resources (soil, water and environment) and creating skilled employment for rural masses, especially women folk. As a result of constant promotional efforts for increased production and productivity and availability of a much larger volume of horticultural produce, India has emerged as the largest producer of coconut, arecanut, cashewnut, ginger, turmeric, black pepper and the second largest producer of fruits and vegetables. Among the new crops kiwi, olive crops and oil palm have been successfully introduced for commercial cultivation in the country. Efforts have also been made to encourage private investment in hi-tech horticulture besides promoting use of latest post harvest technology particularly in the case of perishable commodities.
In recent years, the scenario has significantly changed in the country and the food processing industry has attained the place of prominence in the economy. In the last one decade, due to concrete efforts of the Government, much has been done towards agricultural diversification. The government of India has realized its importance and hence adopted strategies for diversified agriculture particularly for value addition in fruits and vegetables sector. Considerable efforts have been made in last ten years for creation of essential infra-structure for preservation, cold storage, refrigerated transportation, rapid transit, grading, processing, packaging and quality control. The central government has created a separate ministry of Food Processing with a view to develop this sector rapidly. The ministry of food processing has set up food parks to enable small and medium entrepreneurs find access to capital intensive facilities such as cold storage, warehouse quality control labs, effluent treatment plants etc. It is undoubtedly true that in recent years, the government has made remarkable efforts for development of processing units based on fruits, vegetables, spices, coconut and cashewnut, flowers, livestock and fisheries. As a result of this, not only the production of these industries has remarkably increased but also the export trade of these products has also improved. It may be noted that during the year 2000-01 of the country had the agricultural exports of 6004 million US Dollar, which was 13.5 percent of the total export of India. This has further gone up to 5871.1 million US dollar during the year 2001-02.

The food processing industry in India is making fast progress in terms of production, employment and export. There is a vast potential for its development in the years to come. Looking to the growing importance of this industry, it was thought proper to undertake an intensive survey and study of various aspects of this industry in order to examine its role in the country's economy. With this objective in view, a thorough and intensive survey has been made and an attempt has been made to highlight the basic problems of this industry. An attempt has also been made to put forth a set of some useful suggestions which could be profitably used for
improvement in the performance of this industry. Basically, this research study is entirely based on secondary data procured from the official sources.

In the introductory chapter of the thesis, the concept, need and importance of food processing industry have been discussed. The second chapter presents the objectives hypothesis, research methodology and significance of this research study. A detailed description regarding the development of food processing industry in India during five years plan and its contribution in terms of production, employment and export earnings have been given in the third chapter. The fourth chapter provides an analytical and critical appraisal of the production performance of this industry, particularly in the context of last ten years. A critical examination of export performance of the food processing industry in India has been given in the fifth chapter of this study. The basic problems relating to exports of food processing industry has been discussed at length in the sixth chapter. The critical review of the present policy of the government and of the draft proposal of new policy has been given in the seventh chapter. The eight chapter presents a detailed description of the general problems particularly in the context of infra-structure, organization, production, finance marketing and personnel of the industry and a good number of suggestions have also been putforth in order to improve the working and performance of this industry. The last chapter of the study presents the main findings and summary.

The author has attempted to make a very systematic and realistic survey of the present state of affairs of the food processing industry in India. If the research study helps the government in formulation of future policies and programmes, it would be considered that this small academic venture has proved its utility. I hope that this research study will also help the researchers who go ahead for undertaking micro level study on various aspects of this important growing industry.

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